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SIPDIS

STATE FOR PM/DTCC-BLUE LANTERN COORDINATOR

E.O. 12958: N/A  
TAGS: [AU](#) [ETTC](#) [KOMC](#) [KS](#)  
SUBJECT: RESPONSE TO BLUE LANTERN LEVEL 3: PRE-  
SHIPMENT END-USE CHECK LICENSE 050102491

REF: A) STATE 052315

¶1. Per reftel, post contacted the Republic of Korea Army (ROKA), Defense Acquisition Program Administration (DAPA), Sewoon Technology Co. and an additional contractor - UBY, by e-mail and phone. Due to resource constraints, a site visit was not conducted.

¶2. Ms. LEE Yeom-kyong, DAPA's Export and Import Control Officer, confirmed to Post that the contract at question is between UBY and DAPA, not Sewoon Technology and DAPA. UBY is a DAPA-registered contractor for maintenance of self-propelled artillery incorporated into K-9 tanks, which constitutes its primary business. Located at 842-20, Yoolamri Paltan-myeon, Hwasung City, Kyonggi Province, UBY consists of Purchasing, Sales, R & D, Management, Technology, and Production Departments.

¶3. According to DAPA and ROK Army/MND, UBY is a welfare institution that employs veterans through government contracts. It is supported by the ROKG under the Enforcement Decree on Guidelines of Making Contracts with the ROKG. Under this Decree, UBY is entitled to military contracts without going through DAPA's open bidding process.

¶4. Since Sewoon Technology is not the direct contractor to DAPA, DAPA could only confirm that UBY is its parts supplier for the K-9 self-propelled artillery. Since 2004, UBY has supplied circuit cards for the K-1 and K-9 tanks to DAPA/MND.

¶5. Mr. CHANG Soo-hyeon, UBY's factory manager, confirmed its contract with ROKA and Sewoon Technology. Specifically, Mr. CHANG confirmed the quantity of the ordered items matched that which Sewoon Technology ordered from TNR Enterprises. The purchase order between UBY-DAPA/ROK Army and UBY-Sewoon Technology will be sent separately by email.

¶5. Mr. LEE Ki-sung, President of Sewoon Technology, confirmed to post that it is a sub-contractor to DAPA-registered suppliers (including UBY) and provides primarily electronic power circuits to be incorporated into the K-1 and K-9 tanks. The company was established in 2001 by Mr. LEE Ki-sung, President; Mr. SONG Moon-seok, Senior Executive VP for Sales and Purchase; and Mr. CHOI Kwang-joon, Executive Director for Production Management. Prior to

establishing Sewoon, these individuals worked in the electronics industry with companies such as Hyundai Rotem, a major Korean defense materials manufacturer.

¶16. Sewoon incorporates the power modules from TNR Enterprise into electronic circuits that can be used as a power controller of self-propelled artillery in the K-9. Sewoon's major customers are UBY and Korea Aerospace Industries, the latter located in Sachwon in South Kyongsang Province (the southern part of (South) Korea), exclusively supplying the ROK Army. Sewoon Technology maintains a secure facility where these parts power modules are stored. A photo of the secure facility will follow separately by email. Sewoon fully understands the importance of USML sale restrictions as a result of this investigation.

¶17. ROK Army, UBY, and Sewoon request that the USG issue the export license in a timely manner since the subject items are urgently needed.

VERSHBOW